

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

SB 360 - HB 579

March 4, 2021

SUMMARY OF BILL: Authorizes the Medical Laboratory Board to standardize quality control and electronic recordkeeping for all medical laboratories. Effective January 1, 2022.

ESTIMATED FISCAL IMPACT:

On March 1, 2021, a fiscal note was issued for this legislation estimating a fiscal impact as follows:

*Increase State Expenditures – \$2,000,000/FY21-22/Medical Laboratory Board
\$2,311,200/FY22-23/Medical Laboratory Board
\$298,300/FY23-24 and Subsequent Years/
Medical Laboratory Board*

Pursuant to Tenn. Code Ann. § 4-29-121, all health-related boards are required to be self-supporting over a two-year period. The Medical Laboratory Board had an annual surplus of \$47,401 in FY18-19, an annual surplus of \$110,700 in FY19-20, and a cumulative reserve balance of \$1,842,329 on June 30, 2020. The Board may impose fees to offset a portion or all of the incurred expenditures as a result of the proposed legislation

After further consideration, it was determined the estimated fiscal impact was in error. As a result, the estimated fiscal impact has been corrected as follows:

(CORRECTED)


Other Fiscal Impact – Any expenditures associated with electronic recordkeeping of quality control reports will be dependent upon the actions of the Medical Laboratory Board and the specific requirements the Board may impose. Pursuant to Tenn. Code Ann. § 4-29-121, all health-related boards are required to be self-supporting over a two-year period. The Board may impose fees, if necessary, to accomplish the provisions of the proposed legislation. The Board had an annual surplus of \$47,401 in FY18-19, an annual surplus of \$110,700 in FY19-20, and a cumulative reserve balance of \$1,842,329 on June 30, 2020.

Corrected Assumptions:

- The proposed legislation requires the Medical Laboratory Board (Board) to set the requirements for electronic quality control reporting for all medical laboratories in the state.
- The specific reporting requirements, including but not limited to, the type of quality control information, frequency of reporting, and volume of data the Board will require of each laboratory is unknown and dependent upon Board action.
- Any costs associated with electronic quality control reporting are contingent upon the requirements the Board puts in place. The Board is required to be self-supporting over a two-year period and may impose fees, if necessary, to accomplish the provisions of the proposed legislation.
- The proposed legislation authorizes costs associated with creating, maintaining, using, and allowing authorized research from a consolidated database to be defrayed through user and participant fees or cost-sharing agreements with research organizations as determined by the Board in conjunction with the DOH.
- Pursuant to Tenn. Code Ann. § 4-29-121, all health-related boards are required to be self-supporting over a two-year period. The Medical Laboratory Board had an annual surplus of \$47,401 in FY18-19, an annual surplus of \$110,700 in FY19-20, and a cumulative reserve balance of \$1,842,329 on June 30, 2020.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Interim Executive Director

/vh